



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

June 8, 2006

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

William Loos, MD
Acting Senior Medical Officer

**AGREEMENT AMENDMENT NO. H-207566-4 WITH THE
WORKER EDUCATION AND RESOURCE CENTER, INC.**
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and authorize the Director of Health Services, or his designee, to execute Amendment No. 4 to Agreement No. H-207566, substantially similar to Exhibit I, with the Worker Education and Resource Center, Inc. (WERC) in the amount of \$3,672,023 to continue to provide personnel, program support services, and central office and instructional space for the Health Care Workforce Development Program (HCWDP), effective July 1, 2006 through June 30, 2007.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

The Department of Health Services (DHS or Department) is recommending approval of an Amendment with WERC to continue the joint collaboration with SEIU Local 660 in the implementation of the HCWDP, a labor management training and education program for DHS employees.

Implementation of Strategic Plan Goals

Approval of the recommended actions will further the County's Strategic Plan of Workforce Excellence.

FISCAL IMPACT/FINANCING:

For Amendment No. 4, the County's maximum obligation is \$3,672,023 for a revised total maximum obligation of \$16,869,809. Contract costs include

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

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personnel, program support services, and central office and instructional space for HCWDP. Program expenditures have been reflected in the Fiscal Year (FY) 2006-07 Proposed Budget. The State and County continue to discuss full implementation of the Health Care Workforce Development Program (HCWDP) in the amount of \$40 million, as agreed to under the 1115 Waiver Extension. To date, the Department has only received \$15.2 million of the \$26.6 million State funding commitment. On April 19, 2006, your Board sent a letter to the Governor requesting the remaining State funding of \$11.4 million. The Legislature is currently considering a State general fund contribution to cover the \$5.7 million payment anticipated in FY 2006-07. If the State does not allocate funds for the HCWDP in FY 2006-07, DHS will return to your Board with further recommendations regarding the HCWDP and the WERC Agreement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

In 2001, in response to Departmental restructuring under the 1115 Waiver Extension, the County established the framework for a \$40 million State/County funded joint labor/management HCWDP for DHS employees through the duration of the 1115 Waiver Extension which expired on June 30, 2005. Under the framework, DHS retained authority for HCWDP administration and oversight while SEIU Local 660 provided administrative support and personnel.

In December 2001, SEIU Local 660 established WERC, a non-profit 501(c)3 entity, to provide the vehicle for joint collaboration in the implementation of the HCWDP.

On June 11, 2002, the Board approved Agreement No. H-207566 with WERC to provide personnel to support DHS in the planning, design, and implementation of training and educational programs for DHS employees. Under the Agreement, WERC a/lso provided program support services such as consultants for research, travel, and support for the Labor Management Training Board (LMTB) and central office space for both County and WERC staff and instructional space located at 500 S. Virgil Avenue, Los Angeles.

Subsequently, the Board approved three amendments to the Agreement, providing additional funding and extending the term through June 30, 2006.

In approving Amendment No. 3, the Board approved an increase in the central office space from 8,000 to 8,170 square feet and an increase in the lease rate from \$1.30 per square foot per month to \$1.43 for a total of \$11,683.10 per month.

Amendment No. 4 will be effective July 1, 2006 through June 30, 2007. The County's maximum obligation is \$3,672,023 consisting of funding for personnel, program support

services including travel and consultants, training supplies, and telecommunications costs. With the exception of rental costs, which are paid up front, billing to the County is monthly in arrears.

In FY 2006-07, WERC will support the HCWDP's current career path programs and coaching and tutoring services to support employees in the successful completion of their training. During the extension period, HCWDP will continue educational programs with academic preparation and bridge courses in order to prepare participants for college-level courses.

Program support services such as consultants for research, travel, and support for the LMTB continue under this Amendment. All travel will continue to require the prior written approval of the Director. Central office and instructional space (8,170 square feet) will also continue to be provided.

In addition, the Amendment continues to require the reconciliation of payments made by the County for contract costs incurred through March 31 of each fiscal year. Overpayments to WERC, if any, would be offset against future County payments due to WERC.

The Amendment also continues to allow the Director to adjust up to 10% of any direct cost budget line item with the exception of the Tenant Improvement, Space Costs, and Travel and Mileage items as long as the maximum obligation is not exceeded. The Director can also increase or decrease the maximum obligation up to 15% subject to availability of funding with notification to the Chief Administrative Office.

County may terminate the Agreement upon 30 day prior written notice. This Amendment includes updated Board-mandated provisions.

County Counsel has approved the Amendment (Exhibit I) as to form.

Attachment A provides additional information.

CONTRACTING PROCESS:

It is not appropriate to advertise Amendments on the Los Angeles County Online Web Site.

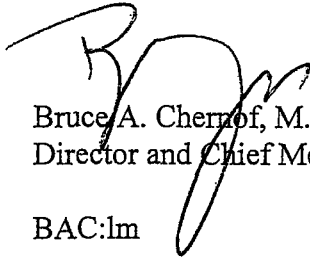
IMPACT ON CURRENT SERVICES (OR PROJECTS):

The Department continues to focus its training efforts in critical shortage areas.

The Honorable Board of Supervisors
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B. Chernof', is written over the printed name and title.

Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:lm

Attachments (2)

c: Chief Administrative Officer
County Counsel
Director of Community and Senior Services
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT

1. TYPE OF SERVICE:

Personnel, program support, and central instructional and office space services to collaborate with the County in the planning, design, and implementation of training under the Health Care Workforce Development Program.

2. CONTRACTOR/ADDRESS AND CONTACT PERSON:

Worker Education and Resource Center, Inc.
500 S. Virgil Avenue, Suite 200
Los Angeles, CA 90020
Attention: Annelle Grajeda, Executive Director
Telephone: (213) 368-8632

3. TERM OF AMENDMENT:

July 1, 2006 through June 30, 2007.

4. FINANCIAL INFORMATION:

For Amendment No. 4 to Agreement No. H-207566, the maximum obligation is \$3,672,023 for a revised total maximum obligation of \$16,869,809. Program expenditures have been reflected in the Fiscal Year 2006-07 Proposed Budget.

5. GEOGRAPHIC AREAS (EMPLOYEES) SERVED:

Employees of the Department of Health Services.

6. ACCOUNTABLE FOR MONITORING:

John Cherep, Director of Human Resources

7. APPROVALS:

Health Care Workforce Development Program: Diane Factor, Director

Contracts and Grants Division: Cara O'Neill, Chief

County Counsel: Elizabeth Friedman, Senior Deputy